

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, May 29, 1996

CONSTRUCTION TIME EXTENSIONS

PURPOSE OF REPORT

To address the timely release of Proposition 203 funds.

DESCRIPTION

At the State Allocation Board meeting on May 1, 1996, action was taken to apportion approximately \$1.36 billion of Proposition 203 funds. To expedite release of these funds to the districts, the Office of Public School Construction (OPSC) has focused its workload on the processing of fund releases for planning, site and construction (i.e. bid approvals) for those projects funded from Proposition 203. To assist the OPSC staff, there are several issues that may assist in expediting the review and processing of these fund releases as follows:

Division of State Architect (DSA) reviews

In many cases, the DSA will require that the final plans be re-checked by their office to ensure they are consistent with current code requirements. If the DSA approval was made more than one year from the start of construction, the district must have the plans re-checked or receive an extension letter by the DSA that no re-approval is necessary. It is estimated that over 70 percent of the projects on the "unfunded" list dated May 1, 1996 will be affected by this requirement. As a result, many districts will not be able to meet the SAB policy that the project start construction within 180 days from the apportionment of the construction funds (i.e. Phase C), otherwise the project is subject to rescission of the Phase C funds. Approval for an extension of the 180 days may be made by the SAB on a case-by-case basis. Automatic extensions of the 180 days for purposes of the required re-checks by the DSA will assist the OPSC in timely processing of the Proposition 203 funds.

Administrative approval of construction bids

Current SAB policy requires that all construction bid approvals must be submitted to the SAB for approval as a regular agenda item. In most cases, this process requires at least 45 days due to the processing and scheduling requirements for SAB consideration. Since many of the bids are time sensitive and considerable time for preparation for SAB approval could be eliminated, authority for the Executive Officer of the SAB to administratively approve bids that do not require additional funding would also assist to expedite the distribution of the Proposition 203 funds. Previous SAB policy routinely allowed the Executive Officer to make these administrative approvals.

RECOMMENDATIONS

1. ~~Authorize an automatic 90 day extension of the 180 "time limit" policy to 270 days for any project where the plans must be re-check by the DSA because of the one year limitation.~~
2. Authorize the Executive Officer of the SAB to administratively approve construction bids that meet all the SAB requirements and do not require an additional apportionment.
3. Provide that bids which are administratively approved will be presented for project budget adjustment at the subsequent SAB meeting as a consent item.

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BOARD ACTION

In considering this Item, the Board adopted staff recommendations including the modification to Recommendation No. 1 to read as follows:

"1. Authorize an automatic 185 day extension of the 180 day 'time limit' policy to 365 days for any project."

No additional time extension beyond the 365 days will be provided, thus, an automatic rescission of the construction apportionment [Phase C] will be processed at a subsequent Board meeting.